

Item No: 2.1
Title: Monthly Finance Report May 2025
Department: Corporate Services



23 June 2025 Ordinary Council Meeting

Reference: F2020/03205 - D16879214
Author: Sebastian Yule, Section Manager Financial Planning and Business Support
Kalana Tennakoon, Team Leader Financial Planning and Business Partnering
Manager: Emma Galea, Chief Financial Officer
Executive: Marissa Racomelara, Director Corporate Services

Recommendation

That Council:

- 1 *Receives the Monthly Financial Report – May 2025***
- 2 *Allocates \$300,000 to fund the works required relating to The Entrance play area softfall, with these funds being reallocated from the following projects:***
 - a) Project 27539 - Hard Court Renewal Program - Various Parks - \$190,000***
 - b) Project 27000 - Avoca - Car Park Upgrade - South End Park, - Investigations and Design - \$30,000***
 - c) Project 27460 - Parks Water Use Monitoring Systems - Various Parks - \$50,000***
 - d) Project 27084 - Wyong River - Aquatic Infrastructure - Canoe/Dinghy Launch - \$30,000***
- 3 *Allocates \$450,000 to the digital transformation project for collaborative meeting room panels in both publicly available and staff areas, with these funds being reallocated from the following projects:***
 - a) Project 26359 - Regional Animal Care Facility Investigation and Designs - \$150,000***
 - b) Project 26547 - RFS - Internal and external renewals - Various Rural Fire Service Buildings - \$110,000***
 - c) Project 26820 - Water and Sewer Legislative Security Upgrades. Region Wide - \$190,000***

- 4 Allocates \$94,000 to fund the commencement of emergency power supply works at the Lake Haven Recreation Centre, Lake Haven, with these funds being reallocated from the following projects:**
- a) Project 25516 - Toowoon Bay Holiday Park - Reactive capital renewal - \$44,000**
 - b) Project 27515- Court Lighting and Fence Renewal Program - Terrigal Tennis Courts - \$50,000**
-

Report purpose

To present to Council the monthly financial report for May 2025.

Executive Summary

For 2024-25 FY Council has budgeted, on a consolidated basis, an adopted operating surplus before capital income of \$37.9M (Original Budget \$10.7M). As at 31 May 2025, Council has an operating surplus of \$45.0M, compared to a YTD budgeted operating surplus of \$28.7M.

The budgeted net operating position will fluctuate throughout the financial year, reflecting income and expenditure timing. The YTD variance of \$16.3M represents 2.1% of Council's gross annual operating expenditure budget of \$796.1M.

As at the end of the reporting period, there are no concerns regarding Council's performance against the adopted budget as variances are within acceptable thresholds. Based on financial performance as at the end of the reporting period, and anticipated delivery of the Operational Plan actions, Council is tracking to achieve an operating result in the vicinity of the 2024-25 FY budget.

As part of Council's financial management framework, actual results for income and expenditure, against the amounts estimated for the reporting period, are monitored monthly. Reasons for significant variations, as well as any mitigation actions required are identified.

It is noted that the June 2025 monthly financial report will be a summary report based on indicative results at time of reporting. The 2024-25 FY results will be subject to change as end of year processes are undertaken to complete the 2024-25 FY Annual Financial Statements.

The July 2025 monthly financial report will also be a summary report as the focus of staff will be on the completion of the 2024-25 FY Annual Financial Statements to submitted to Council for referral to audit.

Background

The monthly financial report has been prepared in accordance with the requirements of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021*, and the relevant accounting and reporting requirements of the Office of Local Government prescribed Code of Accounting Practice and Financial Reporting and Australian Accounting Standards.

Report

Consolidated Operating Statement

As at 31 May 2025, Council has a consolidated net operating surplus of \$45.0M, before capital income, which is favourable to YTD budget by \$16.3M. The overall variance is predominantly driven by a YTD favourable variance in operating expenses, being a favourable YTD variance of \$18.1M (2.6% of YTD operating expenses budget) and a YTD unfavourable variance in operating income against budget of \$1.8M (0.2% of YTD operating income budget).

YTD income and YTD expenditure respectively are within 3% variance when compared to the YTD Budget.

The net operating surplus including capital income is \$164.1M which is favourable to YTD budget by \$26.7M.

The majority of YTD Budget variances reported as at 31 May 2025 are deemed to be predominantly timing. It is also noted that some further income and expenditure will be accounted for as part of end of financial processes, with the relevant amounts being budgeted for based on estimated amounts.

It is further noted that the risk associated of not receiving the full budgeted amount of \$27M for the Financial Assistance Grant at the end of financial year may impact results.

Table 1 – Consolidated (all Funds) Operating Statement May 2025

Consolidated							
Operating Statement							
May 2025							
	2023-24 Actuals	Original Budget	FULL YEAR Budget	YTD Budget	YTD Actuals	YTD Variance (excluding commitments)	YTD Variance (excluding commitments)
	\$'000	\$'000		\$'000	\$'000	\$'000	%
Operating Income							
Rates and Annual Charges	421,528	460,606	460,657	432,256	432,071	(185)	0%
User Charges and Fees	169,410	170,284	178,644	155,328	156,437	1,109	1%
Other Revenue	24,155	15,532	19,940	14,266	16,386	2,120	15%
Interest	38,249	26,022	44,280	31,317	30,342	(974)	3%
Grants and Contributions	52,810	44,668	54,099	26,508	26,574	66	0%
Gain on Disposal	3,084	-	946	1,003	1,253	250	25%
Other Income	10,306	10,462	10,937	10,441	10,585	144	1%
Internal Revenue	57,120	56,950	64,523	59,616	55,326	(4,289)	7%
Total Income attributable to Operations	776,662	784,524	834,027	730,735	728,975	(1,760)	0%
Operating Expenses							
Employee Costs	194,560	217,710	218,551	197,760	198,219	(459)	0%
Borrowing Costs	12,466	12,010	12,664	7,294	7,033	261	4%
Materials and Services	229,244	245,138	249,139	216,166	201,671	14,495	7%
Depreciation and Amortisation	197,293	202,942	210,225	192,532	191,766	766	0%
Other Expenses	43,096	47,217	49,209	37,077	36,574	503	1%
Loss on Disposal	11,911	-	1,930	1,922	2,411	(489)	25%
Internal Expenses	49,488	48,807	54,381	49,329	46,305	3,023	6%
Overheads	(0)	-	(0)	(0)	0	(0)	100%
Total Expenses attributable to Operations	738,060	773,823	796,101	702,081	683,979	18,102	3%
Operating Result after Overheads and before Capital Amounts	38,602	10,701	37,926	28,654	44,997	16,342	
Capital Grants	63,325	85,684	74,678	48,980	58,776	9,795	20%
Capital Contributions	43,842	23,908	61,926	59,819	60,344	526	1%
Grants and Contributions Capital Received	107,167	109,592	136,605	108,799	119,120	10,321	9%
Net Operating Result	145,769	120,293	174,531	137,454	164,117	26,663	19%

Variance analysis on the consolidated operating result is as follows:

Operating Revenue

Rates and Annual Charges

\$0.2M Unfavourable to YTD budget.

- No major variances noted.

User Fees and Charges

\$1.1M Favourable to YTD budget. Main variances include:

- \$0.4M favourable variance in Infrastructure Restoration Fees due to increased footpath and driveway restoration work undertaken in the month.
- \$0.2M favourable variance in Tipping Fees due to increased tonnages presented to the waste facilities by customers.
- \$0.5M favourable variance in Holiday Park fees aligned with higher than forecasted utilisation of facilities.

Other Revenue

\$2.1M Favourable to YTD budget. Main variances include:

- \$0.2M favourable royalty payments for landfill gas due to increased gas volumes and favourable wholesale electricity and carbon credit unit pricing.
- \$0.5M favourable variance in parking and other fines due to actual year to date fines revenue exceeding YTD budget.
- \$0.4M favourable variance due to higher than budgeted insurance recoveries. This item is budgeted conservatively due to uncertainty of recovery outcomes and timing.
- \$0.8M favourable variance in unrealised gains on investments that are subject to market movements. This income item is subject to volatility as it is driven by external market forces. Accordingly, the budget is updated each quarter based on actual unrealised gains recorded at that point in time. This approach is applied to minimise the risk of significant adverse budget impacts in the event of a major market downturn.
- Balance is made up of variances across various operations.

Interest

\$1.0M Unfavourable to YTD budget. Main variance being:

- Unfavourable variance due to timing of interest received on specific investments compared to overall interest phasing, however, still on track to achieve the full year budget target.

Operating Grants and Contributions

\$0.1M Favourable to YTD budget.

- No major variances noted.

Gain on Disposal

\$0.3M Favourable to YTD budget. Main variance being:

- Predominantly due to favourable results from disposals of plant & equipment through the programmed change overs.

Other Income

\$0.1M Favourable to YTD budget.

- No major variances noted.

Internal revenue

\$4.3M Unfavourable to YTD budget.

- \$4.0M unfavourable variance in waste management facility revenue from Water & Sewer tipping related to delayed grit removal at Woy Woy Sewer Treatment Plant due to wet weather. Whilst this is anticipated to be completed by 30 June, revised grit volume estimates indicate a portion of this unfavourable variance to remain at the end of financial year.
- Balance is made up of variances across various operations.

Operating Expenses

Employee Costs

\$0.5M Unfavourable to YTD budget. Main variance being:

- Unfavourable variance mainly due to more than YTD budgeted employee costs related to recent storm event cleanup and emergency works.

Borrowing Costs

\$0.3M Favourable to YTD budget. Main variance being:

- This variance predominantly relates less than budgeted variable interest rates.

Materials and Services

\$14.5M Favourable to YTD budget. Variances are mainly timing in nature. Main variances include:

- \$3.2M favourable timing variance in Governance Services mainly relating to election expense payment. Council has received the invoice in late May and this will be processed in June.
- \$2.3M favourable timing variance in Water & Sewer due to timing of program delivery.
- \$0.5M favourable variance in Roads Construction and Maintenance due to timing of contract payments.
- \$0.5M favourable variance in Engineering Services due to timing of contract payments.
- \$0.6M favourable variance in Facilities and Asset Management due to timing of contract payments.
- \$1.4M favourable variance in Waste Management due to a combination of contract and material payment timing.
- \$0.9M favourable variance in Commercial Property and Business Enterprise mainly due to underspend in the current period to be made up by year-end.

- \$0.7M favourable variance in Strategic Planning mainly due to timing of project delivery.
- \$0.6M favourable variance in Environmental Management mainly due to timing of project delivery.
- \$1.9M favourable in Community and Recreation attributable to timing of event projects delivery and timing of waste contract payments.
- \$0.2M unfavourable timing variance in Information Technology due to timing of licenses and other contract payments.
- Balance is made up of minor variances across various operations.

Depreciation

\$0.8M Favourable to YTD budget. Main variance being:

- Predominantly timing in nature, this variance relates to the timing of capitalisation processing, and the recognition of donated assets.

Other Expenses

\$0.5M Favourable to YTD budget. Main variances include:

- \$0.5M favourable variance in EPA levy corresponding with decreased internal tipping revenue.
- \$0.9M favourable timing variance in Bad and Doubtful expenses as this item is assessed and accounted for at end of the financial year.
- \$0.5M unfavourable variance in unrealised loss on Investments.

Loss on Disposal

\$0.5M Unfavourable to YTD budget.

- Variance due to asset values having residual values at time of disposal due to renewal and replacement on infrastructure being required earlier than planned due to various factors including natural disasters damage and other factors reducing the anticipated useful life of the assets.

Internal expenses

\$3.0M Favourable to YTD budget.

- \$4.0M favourable variance in Water & Sewer tipping related to delayed grit removal at Woy Woy Sewer Treatment Plant due to wet weather. Whilst this is anticipated to be completed by 30 June, revised grit volume estimates indicate a portion of this variance to remain at the end of financial year.
- \$1.0M unfavourable variance in Plant and Fleet permanent hire due to higher than budgeted internal plant utilisation.

2.1 Monthly Finance Report May 2025 (cont'd)

Capital Income

Capital Grants

\$9.8M Favourable to YTD budget. Timing differences associated with the recognition of income with capital delivery and payment milestones.

Capital Contributions

\$0.5M Favourable to YTD budget. This is mainly due to recognition of donated assets. Developer contributions as donated assets has seen an improvement in process and timeliness of recognition.

Financial Performance by Fund

The following Tables summarise the financial performance for the reporting period by Fund.

Table 2 – General (including Drainage and Waste) Fund Operating Statement – May 2025

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <h2 style="margin: 0;">Total General (+Drainage & Waste) Fund</h2> <h3 style="margin: 0;">Operating Statement</h3> <p style="margin: 0;">May 2025</p> </div> <div style="text-align: right;">  </div> </div>							
	PRIOR YEAR Actuals	Original Budget	FULL YEAR Budget	YTD Budget	YTD Actuals	YTD Variance (excluding commitments)	YTD Variance (excluding commitments)
	\$'000	\$'000		\$'000	\$'000	\$'000	%
Operating Income							
Rates and Annual Charges	313,733	329,428	329,479	303,423	303,500	77	0%
User Charges and Fees	76,366	75,789	81,224	75,019	76,514	1,494	2%
Other Revenue	22,826	15,532	19,399	13,725	15,613	1,888	14%
Interest	28,347	22,440	34,196	24,199	22,011	(2,188)	9%
Grants and Contributions	52,506	44,668	53,979	26,387	26,440	53	0%
Gain on Disposal	2,482	-	946	1,003	1,253	250	25%
Other Income	10,306	10,462	10,937	10,441	10,585	144	1%
Internal Revenue	52,827	54,085	60,250	56,164	51,805	(4,359)	8%
Total Income attributable to Operations	559,392	552,403	590,409	510,362	507,720	(2,641)	1%
Operating Expenses							
Employee Costs	159,433	177,004	178,143	160,239	160,467	(227)	0%
Borrowing Costs	4,934	3,352	4,897	1,253	1,067	186	15%
Materials and Services	183,599	191,871	198,980	173,104	160,896	12,208	7%
Depreciation and Amortisation	116,976	118,464	124,213	113,668	113,719	(51)	0%
Other Expenses	42,817	47,217	48,890	36,757	36,102	655	2%
Loss on Disposal	8,703	-	1,657	1,649	2,084	(435)	26%
Internal Expenses	36,876	34,518	35,368	31,435	32,479	(1,043)	3%
Overheads	(24,514)	(23,585)	(26,218)	(24,117)	(24,117)	(0)	0%
Total Expenses attributable to Operations	528,824	548,841	565,929	493,988	482,696	11,292	2%
Operating Result after Overheads and before Capital Amounts	30,569	3,562	24,480	16,374	25,024	8,650	
Capital Grants	52,066	65,482	59,076	36,355	48,446	12,091	33%
Capital Contributions	36,009	17,908	55,190	53,582	52,444	(1,138)	2%
Grants and Contributions Capital Received	88,075	83,390	114,266	89,937	100,890	10,953	12%
Net Operating Result	118,644	86,951	138,747	106,311	125,914	19,604	18%

Table 3 – Water and Sewer Fund Operating Statement - May 2025

Total Water & Sewer Fund							
Operating Statement							
May 2025							
	PRIOR YEAR Actuals	Original Budget	FULL YEAR Budget	YTD Budget	YTD Actuals	YTD Variance (excluding commitments)	YTD Variance (excluding commitments)
	\$'000	\$'000		\$'000	\$'000	\$'000	%
Operating Income							
Rates and Annual Charges	107,795	131,178	131,178	128,833	128,571	(262)	0%
User Charges and Fees	93,044	94,495	97,420	80,309	79,923	(386)	0%
Other Revenue	1,329	-	541	541	773	232	43%
Interest	9,902	3,582	10,084	7,117	8,332	1,214	17%
Grants and Contributions	304	-	121	121	134	13	11%
Gain on Disposal	602	-	-	-	-	-	100%
Other Income	-	-	-	-	-	-	100%
Internal Revenue	4,294	2,866	4,273	3,452	3,522	70	2%
Total Income attributable to Operations	217,269	232,122	243,618	220,373	221,255	882	0%
Operating Expenses							
Employee Costs	35,127	40,705	40,408	37,521	37,753	(232)	1%
Borrowing Costs	7,533	8,658	7,767	6,041	5,966	76	1%
Materials and Services	45,645	53,267	50,160	43,063	40,775	2,287	5%
Depreciation and Amortisation	80,317	84,478	86,012	78,864	78,047	817	1%
Other Expenses	279	-	320	320	471	(152)	47%
Loss on Disposal	3,208	-	273	273	327	(54)	20%
Internal Expenses	12,612	14,289	19,014	17,894	13,827	4,067	23%
Overheads	24,514	23,585	26,218	24,117	24,117	-	0%
Total Expenses attributable to Operations	209,236	224,982	230,172	208,093	201,282	6,810	3%
Operating Result after Overheads and before Capital Amounts	8,033	7,139	13,446	12,280	19,973	7,692	
Capital Grants	11,259	20,202	15,602	12,626	10,330	(2,296)	18%
Capital Contributions	7,833	6,000	6,737	6,237	7,900	1,663	27%
Grants and Contributions Capital Received	19,092	26,202	22,339	18,863	18,230	(633)	3%
Net Operating Result	27,125	33,341	35,784	31,143	38,202	7,059	23%

Financial Performance Benchmarks

Below is a summary of Council's performance, on a consolidated basis against main industry financial performance benchmarks set by the Office of Local Government.

Table 4 – Financial Performance Benchmarks – May 2025

Financial Performance Ratio	Industry Benchmark	Original Full Year Budget	Ratio – YTD Actuals	
Operating Performance Ratio	> 0%	1.47%	6.6%	✓
Own Source operating Revenue Ratio	> 60%	81.57%	81.5%	✓
Unrestricted Current Ratio	> 1.5x	2.57x	3.9x	✓
Cash Expense Cover Ratio	> 3 months	3.44 months	5.4 months	✓
Buildings and Infrastructure Renewals Ratio	100%	138%	131%	
Infrastructure Maintenance Ratio	100%	n/a	47.8%	

2.1 Monthly Finance Report May 2025 (cont'd)

As at the end of the May 2025, on a consolidated basis, Council exceeded the mandated benchmark for the operating performance ratio, achieving 6.6%.

Council has also performed favourably against the unrestricted current ratio, achieving 3.9x against a benchmark of >1.5x. This ratio considers all current assets and liabilities, including cash.

Council maintained positive performance regarding the cash expense cover. Council is in a strong liquidity position.

The infrastructure ratios are monitored each month and are based on a point in time. The Infrastructure Renewal Ratio is based on the actual renewal expenditure as at the end of the reporting period, compared to the depreciation over the same period.

The Asset Maintenance Ratio is calculated based on actual maintenance as at the end of the reporting period compared to the required maintenance estimated over the same reporting period. It is noted that the reported shortfall in asset maintenance is predominantly reported for building assets. A review of the cost allocation for building maintenance has indicated that the cost allocation of some building maintenance needs to be reviewed to ensure that these costs are captured within the inputs of the ratio calculation. Early results indicate that there will be a significant increase in the result. A further update will be provided in the June Finance Report with finalised figures to be included in the Financial Statements.

Annual performance in regard to these ratios is included in the Special Schedules in the annual Financial Statements, noting that the infrastructure section within the Schedules does not form part of the NSW Audit Office audit.

Noting the volatility in the timing of asset renewal and maintenance, performance as at the end of a reporting period, is an indication only of Council's likely performance against the benchmark for the year.

Cash and Investments

Details on cash and investments as at 31 May 2025 are included in the Monthly Investment Report May 2025.

Loans

As at 31 May 2025 Council has borrowings totaling \$215.6M, across all Funds and including the remaining Emergency Loan that is due to be fully paid in November 2025.

Table 5 – Outstanding loan borrowings by fund – May 2025

Fund	General Fund	Drainage Fund	General Fund Consolidated with Drainage Fund	Water and Sewer Fund
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
External loans – current	4,394	588	4,982	16,795
External loans - non - current (excluding emergency loan)	8,848	5,870	14,718	144,098
Emergency loan	35,001	0	35,001	0
Total external loans	48,243	6,458	54,701	160,893

Current loans refer to loans payable in the next 12 months, while non-current loans are those payable after that.

Borrowing for infrastructure assets such as sewer, water, and drainage assets, which benefit multiple generations is appropriate, and is good practice, to achieve intergenerational equity.

General Fund Debt

Although council has sufficient unrestricted cash to extinguish all General Fund loans, it is not prudent to do so as early payment would result in break costs and the investment portfolio is returning a higher rate than the holding costs of the loans.

After the extinguishment of one of the emergency loans taken out in 2020, Council has the second emergency loan due to be refinanced or extinguished in November 2025.

During the month of May 2025, a repayment of \$0.3M was made against the emergency loan, reducing the balance from \$35.3M reported as at the end of April 2025 to \$35.0M as at the end of this reporting period.

Council is setting aside \$1.4M each month in an internal restriction to be able to repay the Emergency Loan in November 2025 without the need to refinance any part of the loan, and without impacting on unrestricted cash at time of payment.

Excluding the outstanding emergency loan, Council has a relatively low level of debt considering the size of this Council.

Capital Works

For 2024-25, Council has a FY capital budget of \$316.5M. As at 31 May 2025 capital expenditure is \$238.3M against a YTD budget of \$264.7M for the same period. Commitments (approved purchase orders to external suppliers) of \$29.9M have been raised for delivery this year.

2.1 Monthly Finance Report May 2025 (cont'd)

The current expenditure against budget indicates that delivery of works is trending behind anticipated timing and an insignificant portion of full year budget will remain unspent at the end of financial year. Delivery of works is impacted by a number of factors including inclement weather conditions including natural disasters, availability of suppliers, and any required planning and approval processes.

Table 6 – Capital Expenditure – May 2025

Department	Original Budget	FULL YEAR Budget	YTD Budgets	YTD Actuals	Current FY Commitments	YTD Variance * (excluding commitments)	YTD Variance % (excluding commitments)
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	%
01. Office of the Chief Executive Officer	-	9	9	-	-	(9)	
02. Community and Recreation Services	51,420	47,896	40,138	34,870	4,436	(5,268)	-13.1%
03. Infrastructure Services	106,650	111,440	101,300	90,406	8,237	(10,894)	-10.8%
04. Water and Sewer	122,366	120,858	93,312	92,759	10,913	(553)	-0.6%
05. Environment and Planning	9,911	10,802	7,868	4,985	1,557	(2,883)	-36.6%
06. Corporate Services	18,180	25,540	22,060	15,261	4,797	(6,798)	-30.8%
Total	308,527	316,545	264,687	238,281	29,940	(26,406)	-10.0%

* Negative variance denotes an underspend in capital budget

Figure 1 – Capital Expenditure by Directorate

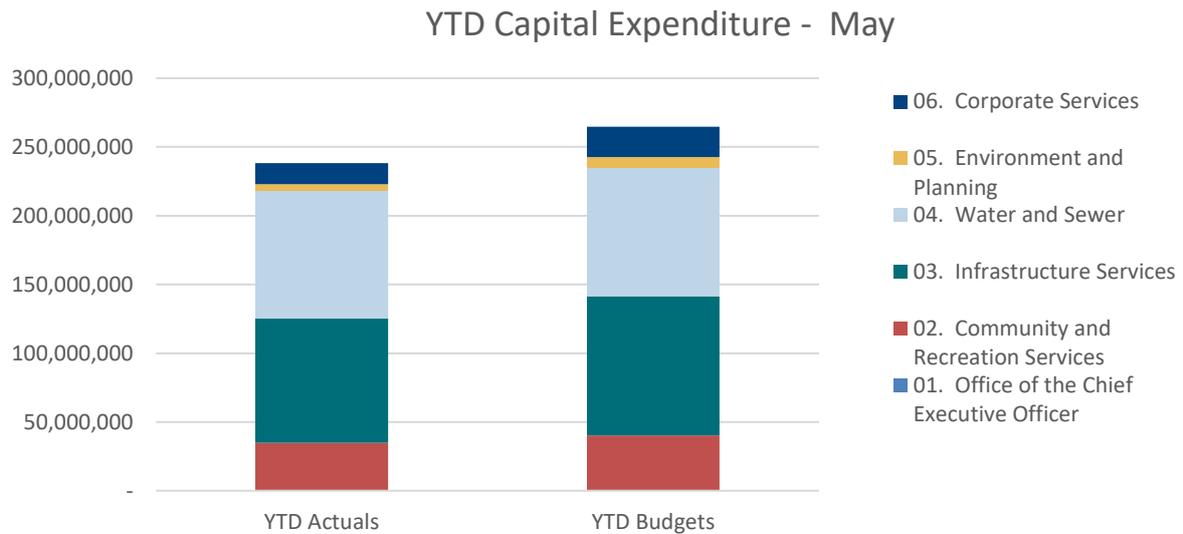
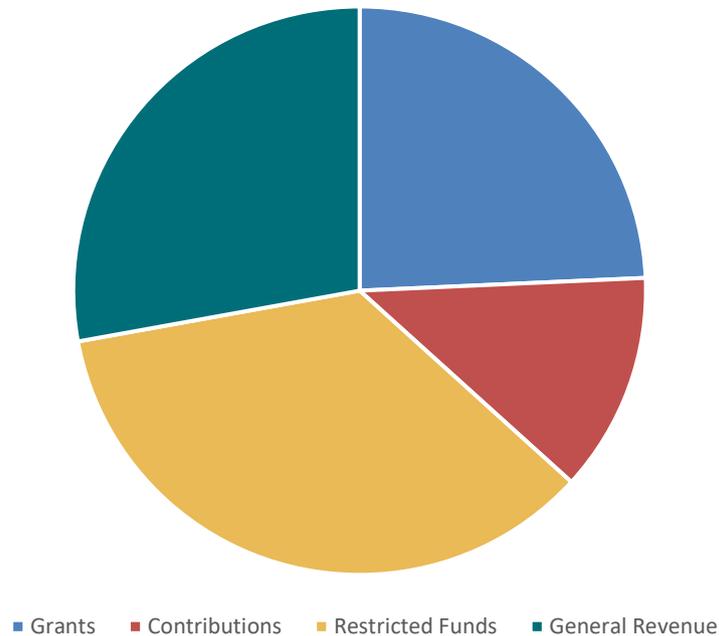


Figure 2 – Capital Expenditure by Funding Source

YTD Capital expenditure by funding source

**Proposed 2024-25 Capital Works changes:**The Entrance play area softfall, The Entrance

It is proposed that Council reallocates the total savings of \$300K from projects completed with savings to enable urgent works on the softfall at The Entrance play area.

The aging softfall at The Entrance play area saw significant impact and deterioration due to the recent weather event which has resulted in the need for urgent replacement to mitigate safety and environmental risks.

It is proposed that Council reallocates funds from the following projects:

- Project 27539 - Hard Court Renewal Program - Various Parks - \$190,000
- Project 27000 - Avoca - Car Park Upgrade - South End Park, - Investigations and Design - \$30,000
- Project 27460 - Parks Water Use Monitoring Systems - Various Parks - \$50,000
- Project 27084 - Wyong River - Aquatic Infrastructure - Canoe/Dinghy Launch - \$30,000

Digital Transformation – Collaboration Equipment, Wyong Administration Building

It is proposed that Council reallocates \$450,000 from projects completed with savings to enable the procurement of collaboration equipment for the Council meeting rooms and offices in this financial year. The rooms are used for various Council business activities including Council workshops, briefings and Committee meetings, and meetings held by staff

Council Officers are undertaking a procurement process for collaboration equipment, including interactive screens for the Council meeting rooms. There is the opportunity to finalise the procurement of the equipment to secure pricing before the 2025-26 price escalations.

It is proposed that Council reallocates funds from the following projects:

- a) Project 26359 - Regional Animal Care Facility Investigation and Designs - \$150,000
- b) Project 26547 - RFS - Internal and external renewals - Various Rural Fire Service Buildings - \$110,000
- c) Project 26820 - Water and Sewer Legislative Security Upgrades. Region Wide - \$190,000

Emergency power supply works at Lake Haven Recreation Centre, Lake Haven

It is proposed that Council reallocates \$94,000 from projects completed with savings or postponed, to enable urgent works to commence in this financial year to address works power supply faults identified at the Lake Haven Recreation Centre, Lake Haven. The works and further expenditure will continue into FY2025-26, and the additional funds that will be required in FY2025/26 (\$321,000) have been reflected in the 2025-26 Operational Plan included as a separate item in this business paper.

It is proposed that Council reallocates funds from the following projects:

- a) Project 25516 - Toowoomb Bay Holiday Park - Reactive capital renewal - \$44,000
- b) Project 27515- Court Lighting and Fence Renewal Program - Terrigal Tennis Courts - \$50,000

Stakeholder Engagement

The preparation of the May 2025 monthly financial report included consultation with business units across Council to identify the reasons and mitigation strategies for significant variances to budget.

Financial Considerations

Financial Year (FY) Implications

The proposal has cost and revenue implications for the current FY only.

Budget and Long-Term Financial Plan (LTFP) Impact.

The FY adopted budget includes funding for this proposal.

This report presents the financial position of Council as at 31 May 2025. Variations from budgeted amounts are detailed and an explanation provided. To date, there are no concerns regarding Council's financial performance for the remainder of the financial year.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G3: Provide leadership that is transparent and accountable, makes decisions in the best interest of the community, ensures Council is financially sustainable and adheres to a strong audit process.

Risk Management

Council's financial management framework includes the monthly review and reporting of significant variances to budget. This ensures that any issues are identified and rectified in a timely manner, with any necessary adjustments being captured in the appropriate Quarterly Budget Review.

This process mitigates the risk of Council's financial performance deviating from the adopted budget and ultimately altering the trajectory of Council's Long Term Financial Plan.

Critical Dates or Timeframes

Council receives monthly financial reports to ensure that Council is kept up to date with Council's financial performance.

Attachments

Nil